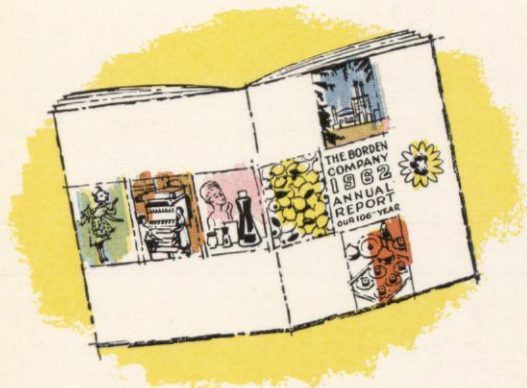


THE BORDEN
COMPANY
1962
ANNUAL
REPORT
OUR 106th YEAR

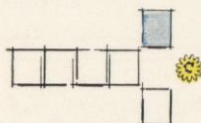


BOARDS

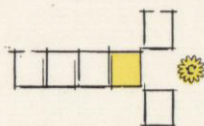




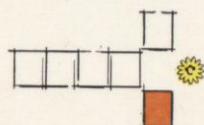
The photographs on the cover of this Report are of widely different subjects but they share the same theme. They depict the *new* things happening at Borden's: new equipment, new products, new ideas, new fields of interest—all leading to new growth.



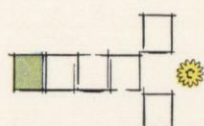
The Borden Chemical Company entered a new field as producer of basic chemicals and took the final step toward product integration with the start-up of its Geismar (La.) Works and those of jointly-owned Monochem, Inc. Shown: our vinyl acetate monomer plant.



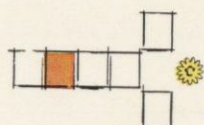
New addition to the Borden family is the ReaLemon-Puritan Co., leading processor of fruit juices and drinks, acquired during 1962. Operating under supervision of the Borden Foods Company, it enhances our position as a manufacturer of specialty foods.



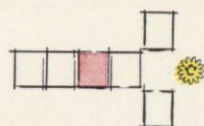
The search for new ideas in cookery led to the Far East, whence this Burmese Pudding. One of over 100 recipes sent in by Bordenites in 37 foreign lands, it was adapted by our Test Kitchen to five Borden items: milk, cream, mince meat, two candied fruits.



Elsie the Cow in 1962 took on a new role in Borden advertising. Continuing her 26-year starring role as unifying symbol of Borden's, she now also serves as spokeswoman for individual products under PACE, the President's Advertising Campaign for Expansion.



This machine, which was installed in 1962 in our enlarged ice cream plant at Baltimore, Md., has a capacity of 14,400 ice-cream-on-a-stick novelties per hour. Machine automatically freezes, coats, and bags the novelties, readying them for cartons.



Among many new products were these from the Borden Special Products Company. Like all Marcelle beauty preparations, these are specially blended for use on sensitive skin. Marcelle's smart look and high quality also attract users of regular beauty aids.

Message to Stockholders and Employees

For the Company, 1962 was another good year. Our sales increased, again exceeding one billion dollars. Earnings reached a new high—the seventh in a row—and dividends were increased.

Unit sales in the principal areas of our business showed a substantial rise. Volume in the newer areas — chemicals, specialty foods, and foreign operations—showed a good rate of improvement. Being comparatively new, they of course account for a smaller share of total sales than do the long-established segments of our business. It is their newness, however, that gives them unusual growth potential, which provides opportunities for upgrading the profitability of the Company as a whole.

The healthy increases in volume registered by our established product lines we interpret as further evidence of the value of the Borden name, and of the basic soundness of the Company's operations. The improvement also bears out our conviction that even the most familiar products have great growth possibilities when given the full benefit of the Company's resources and experience.

The current squeeze on profits is such that it cannot be directly eased. It must be relieved by continuing operating efficiencies, and various other means — among them research and development, improved marketing techniques, and more effective advertising. Encouraged by the results of our research and development program, we will increase its budget again in 1963 over the record expenditures of 1962. As in the past, research funds will be used almost wholly for applied research; that is, for projects having definite and practical objectives. In line with this approach, we will put greater emphasis on versatile products — those with promise of being expanded into lines of related items. We will concentrate on improvements in processing methods affecting high-volume products, where even slight per-unit reductions in cost offer significant savings.

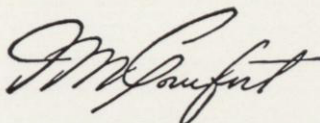
An important phase of a long-range program of diversification and integration for our chemical operations, undertaken in 1954, was completed during the year. We are now producing the basic raw materials on which our chemical business is built. In the period since the start of this program, our chemical business has increased five fold, and now represents approximately 10% of total Company sales.

Our unconsolidated foreign subsidiaries enjoyed increased sales and profits, thereby directly benefiting the Company, contributing substantially to Federal tax revenues at home, and aiding the economies of the countries in which they operate. These subsidiaries are important to the Company in providing us with expanding geographical markets. But these subsidiaries

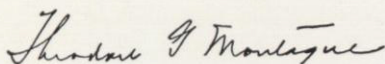
have an added value to the Company, which is perhaps sometimes overlooked; namely, they provide additional outlets for Borden knowledge and experience accumulated over many decades. This know-how involves no capital investment or raw-material costs, yet contributes substantially to the value of marketed products, and, in turn, to the profits of the over-all Company.

As Borden's continues to grow, it becomes increasingly affected by political as well as general economic factors. Federal tax policies are a matter of major concern, not only because they influence our business directly, but also because they affect the interests of our shareholders. We favor a sound fiscal program that would include a reduction in corporate and individual income taxes, which, while beneficial to Borden's, we believe absolutely essential to the encouragement of investment capital and the accelerated growth of our national economy.

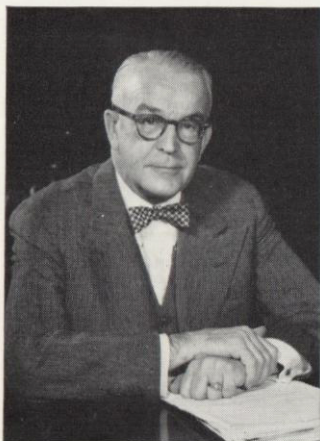
Managing a business is a challenging, satisfying team effort. We are conscious of and grateful for the loyalty of the men and women of the Borden organization, the keen interest displayed by our Directors in the affairs of the Company, and the support and confidence of our thousands of stockholders. We hope they all share with us the satisfactions the past year has brought, and that await us at the close of 1963.



President



Chairman, Board of Directors



February 26, 1963

THE BORDEN COMPANY

ANNUAL REPORT

HIGHLIGHTS AND REVIEW . . .

	1962	1961
Net Sales	\$1,047,902,188	\$1,009,665,456
Net Earnings	\$ 32,354,515	\$ 30,082,322
per share	\$3.05	\$2.84
Cash Dividends	\$ 17,998,136	\$ 15,451,904
per share	\$1.70	\$1.50
Working Capital	\$ 165,068,538	\$ 177,314,210
Ratio:		
Current Assets to		
Current Liabilities	3.39:1	3.64:1

FINANCIAL Quarterly dividend payment increased from 37½¢ to 40¢ a share on March 1; extra dividend of 10¢ a share paid on Dec. 1, bringing total payment for 1962 to \$1.70 per share ● Earnings of unconsolidated foreign subsidiaries increase; Borden's equity in their earnings rises to high of \$5,810,098 ● New construction and equipment totaling \$39,900,000 obtained during first year of five-year growth program

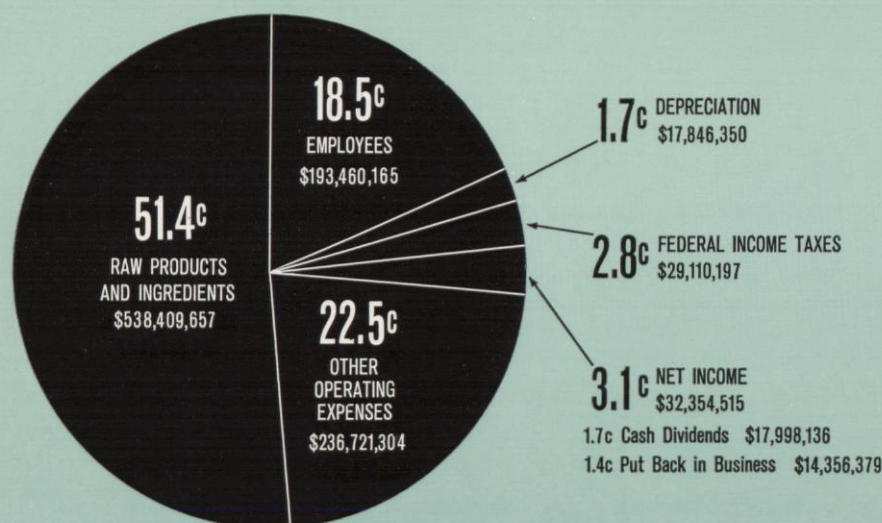
NEW CONSUMER PRODUCTS Three new *Marcelle* beauty preparations introduced by Borden Special Products Company ● Drake Bakeries, a Division, introduces two new products, *Swiss Rolls* and *Yodels* ● The Borden Chemical Company adds two household items: *Elmer's Slide-All*, a spray lubricant, and *Elmer's Fast-Dry Contact Cement* ● Borden Foods Company introduces its fourth instant potato product, *Borden's Pizza Potatoes*

GROWTH Chemical Company's product line integrated with opening of its Geismar (La.) Works and facilities of jointly owned Monochem, Inc. ● Borden's becomes a principal processor of natural and concentrated fruit juices with acquisition of ReaLemon-Puritan Co. ● Comstock Foods, Inc., nation's leading processor of sliced apples, joins the Company ● Borden's Milk and Ice Cream Company completes five new facilities.

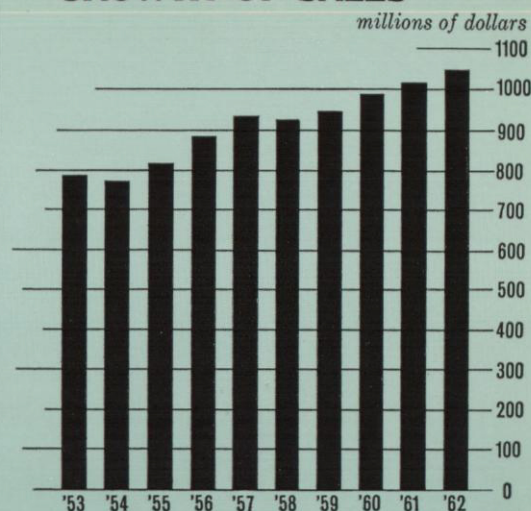
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THE SALES DOLLAR *how it was used*



GROWTH OF SALES



NEW HIGHS IN SALES AND PROFITS Our net sales and profits reached record levels in 1962.

Sales rose to \$1,047,902,188, 3.8% over the \$1,009,665,456 in 1961 and a new high for the fourth year in a row.

Net income was \$32,354,515. This was an increase of 7.6% from the \$30,082,322 earned in 1961, and the seventh straight year of improved profits. Per share earnings were \$3.05; they were \$2.84 the year before.

Our rate of profit was 3.09 cents per dollar of sales; in 1961, 2.98 cents. Our ten-year return on sales averaged 2.79 cents.

DIVIDEND INCREASED On March 1, 1962, the quarterly dividend payment was increased from 37½ cents a share to 40 cents a share. Subsequent dividends at this rate were paid on June 1, Sept. 1, and Dec. 1. On Oct. 30, the Board of Directors voted an extra dividend of 10 cents a share, which was paid on Dec. 1. This brought the total dividends distributed in 1962 to \$1.70 per share, compared with \$1.50 per share paid in 1961.

The Company has paid dividends in each of the 64 years since its incorporation, the payment on Dec. 1 having been our 211th consecutive dividend.

WORKING CAPITAL CHANGES Current assets of \$234,041,913 and current liabilities of \$68,973,375 (a ratio of 3.39 to 1) left a balance of \$165,068,538 as working capital on Dec. 31. A year earlier, working capital stood at \$177,314,210, including proceeds of our December, 1961, Debenture issue, and was scheduled to decline owing to large expenditures from these proceeds for the development of the Company's business, primarily in chemicals and specialty foods.

PROFITS ABROAD GAIN Sales and earnings of our unconsolidated foreign subsidiaries showed continued improvement, notwithstanding a weakening of foreign exchange rates in some countries in South America, where we have important operations.

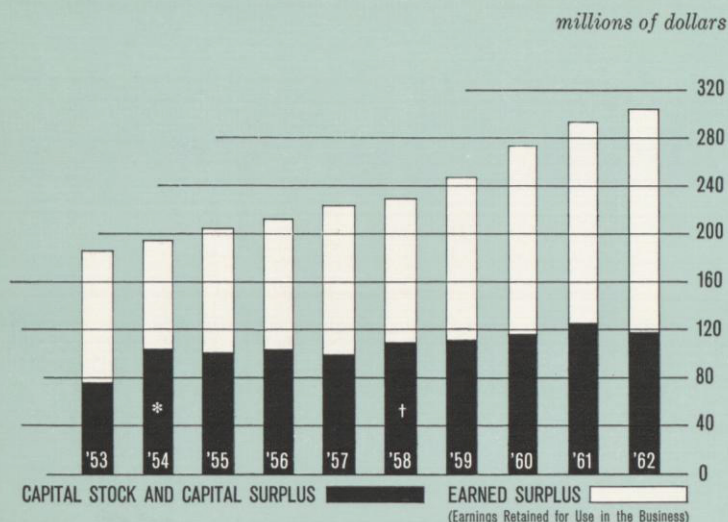
Net sales of these subsidiaries were \$89,368,948; they were \$83,827,205 in 1961. The Company's equity in their earnings was \$5,810,098 after having been reduced by an unrealized exchange loss of \$325,383, resulting from the translation of net current assets to U.S. dollar equivalent; in 1961 it was \$5,489,452, and no such foreign exchange adjustment applied. After applicable U.S. Income Taxes, dividends paid to the Company and included as income amounted to \$2,766,225, as compared with \$2,665,151 in 1961. At year end, our equity in their net assets exceeded our investment by \$28,681,972. (See Financial data on Page 9.)

NEW GROWTH PROGRAM UNDER WAY In 1962 we completed the first year of a new five-year, \$170,000,000 modernization and expansion program. The new construction and equipment we obtained improved our facilities in 20 states and Canada.

During the year we obtained a record \$39,900,000 worth of new building and equipment. Depreciation accruals provided about \$16,300,000, and about \$9,100,000 worth of equipment was leased. Working capital furnished the remaining \$14,500,000, of which approximately \$8,900,000 was used to complete the Borden chemical facilities at Geismar, La.

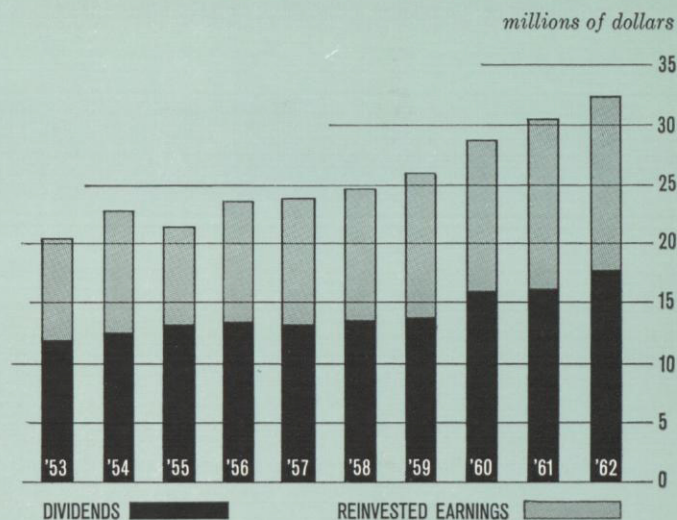
In 1963 our development program will approach a more normal rate, with scheduled requirements totaling about \$35,300,000. Of this amount, working capital will provide

GROWTH OF STOCKHOLDERS' EQUITY



*1954 10% STOCK DIVIDEND †1958 4% STOCK DIVIDEND

GROWTH OF NET INCOME



approximately \$6,300,000. Depreciation accruals will furnish about \$18,100,000, and about \$10,900,000 worth of equipment will be obtained through lease.

BENEFIT PAYMENTS INCREASE During the plan year ended March 31, 1962, beneficiaries under our Company-sponsored Employee Benefit Programs received record payments of \$5,857,672, including \$2,324,687 in retirement income. This was an increase of 10% from the previous plan year. The Company contributes to and administers these Programs, which provide sickness and accident payments, hospital-surgical-major medical and life insurance benefits, and retirement income.

COMPANY OWNERSHIP There were 10,567,500 shares of capital stock outstanding at the close of the year, 30,000 fewer than the 10,597,500 shares outstanding on Dec. 31, 1961. The number of shareholders of record was 48,919 at year end; it was 49,524 a year earlier.

The average stockholding was 216 shares, compared with 214 in 1961. No individual, so far as is known, held as much as 1% of the outstanding stock.

During the year we issued 105,913 shares of stock for the acquisition of business and for purchases under the employees' stock option plans. The Company acquired 135,913 shares of its stock, resulting in the net decrease in stock outstanding.

CHANGES IN BOARD AND MANAGEMENT Four new members were elected to the Board of Directors. William S. Renchard, President of Chemical Bank New York Trust Company; J. Roy Gordon, President of The International Nickel Company of

Canada, Ltd.; and Harry L. Archer, a Vice President of the Company and President of Borden's Milk and Ice Cream Company, were elected at the Annual Meeting on April 18. Everett L. Noetzel, a Vice President of the Company and its chief financial officer, was elected Sept. 25. Messrs. Archer and Noetzel filled vacancies resulting from the deaths of L. Manuel Hendler, former Chairman of our South East District and a Director since 1930, on April 11, and Eugene Holman, former Chairman of the Standard Oil Company (New Jersey) and a Director since 1960, on Aug. 12.

Upon his election to the Board, Mr. Noetzel relinquished his position as Treasurer, which he had held since 1932, and was succeeded by Edwin S. Patience, General Controller since 1958. Harry N. Webster, previously Assistant General Controller, was named General Controller.

James V. Bassett, President of the Borden Foods Company, was elected a Vice President as of Jan. 1, 1963, succeeding Theodore O. Hofman, who had headed the Division since 1958. On Jan. 29, 1963, Milton Fairman, previously an Assistant Vice President responsible for public relations and advertising coordination, and Theodore G. Montague, Jr., President of Drake Bakeries Division, were elected Vice Presidents.

Harry F. Bremer and Richard J. McGoldrick were elected Assistant Treasurers on Sept. 25. Mr. Bremer had been manager of the Company's Employee Benefit Programs. Mr. McGoldrick was previously Assistant to the Treasurer.

Robert G. Bell, continuing in his position as General Auditor, was elected an Assistant Treasurer on Feb. 26, 1963, to succeed Harry L. Camp, who retires March 1, 1963.

CONSOLIDATED BALANCE SHEET

December 31

ASSETS

CURRENT ASSETS

	1962	1961
Cash	\$ 33,659,585	\$ 43,675,691
U. S. Government and Other Marketable Securities . . . (At cost, not in excess of market value)	30,807,792	44,781,313
Receivables (Less allowances for doubtful accounts)	76,200,562	70,424,990
Inventories		
Finished Goods	62,407,204	57,684,630
Materials and Supplies	<u>30,966,770</u>	<u>27,955,011</u>
Total Current Assets	234,041,913	244,521,635

INVESTMENTS AND OTHER ASSETS

Unconsolidated Foreign Subsidiaries	1,723,147	1,723,147
Securities on Deposit (Pursuant to Workmen's Compensation Laws, etc.)	1,767,585	1,713,461
Mortgages, Receivables, etc. (Less allowances for doubtful accounts)	11,989,643	10,730,941
Total	<u>15,480,375</u>	<u>14,167,549</u>

PROPERTY AND EQUIPMENT (at cost)

Land	16,600,274	15,970,413
Buildings	121,070,384	112,772,188
Machinery, Equipment, etc.	<u>229,613,789</u>	<u>219,646,055</u>
Total	367,284,447	348,388,656
Less Accumulated Provision for Depreciation	<u>158,626,964</u>	<u>154,171,027</u>
Net Property and Equipment	208,657,483	194,217,629

DEFERRED CHARGES. 8,446,798 6,717,939

INTANGIBLES. 21,335,455 10,970,182TOTAL \$487,962,024 \$470,594,934

See pages 7 and 8 for notes to financial statements.

December 31

LIABILITIES

CURRENT LIABILITIES

Accounts Payable and Accrued Liabilities	\$ 65,156,536	\$ 63,106,904
Accrued Taxes	3,816,839	4,100,521
(After deducting U. S. Treasury Bills equal to U. S. Federal Income Taxes—1962, \$14,700,000; 1961, \$16,100,000)		
Total Current Liabilities	68,973,375	67,207,425

LONG-TERM DEBT

2 $\frac{7}{8}$ % Debentures due 1981	43,750,000	45,000,000
4 $\frac{3}{8}$ % Debentures due 1991	50,000,000	50,000,000
3 $\frac{1}{2}$ % Note due 1973	1,050,000	1,100,000
Total	94,800,000	96,100,000

RESERVES

Deferred Federal Taxes on Income	10,710,996	5,797,469
Insurance, etc.	7,557,158	7,364,493
Total	18,268,154	13,161,962

STOCKHOLDERS' EQUITY

Capital Stock—par value \$7.50 per share
Authorized 16,000,000 shares

	1962	1961
Issued	11,067,192 shares	11,026,279 shares
Less Treasury Stock	499,692 shares	428,779 shares
Outstanding	10,567,500 shares	10,597,500 shares

Capital Surplus	38,828,878	41,165,309
Earned Surplus	187,835,367	173,478,988
(Earnings retained for use in the business)		
Total Stockholders' Equity	305,920,495	294,125,547
TOTAL	\$487,962,024	\$470,594,934

CONSOLIDATED INCOME AND EARNED SURPLUS

		Year Ended December 31	
		1962	1961
NET SALES		\$1,047,902,188	\$1,009,665,456
OTHER INCOME		8,171,926	5,255,821
(Includes Interest and Dividends—1962, \$6,649,845; 1961, \$4,584,959)			
TOTAL		<u>1,056,074,114</u>	<u>1,014,921,277</u>
LESS			
Cost of Goods Sold		896,971,402	866,150,253
Selling, General and Administrative Expenses and Other Charges—net		94,375,659	88,500,882
Interest Expense		3,262,341	1,556,293
Provision for U. S. and Canadian Federal Income Taxes		<u>29,110,197</u>	<u>28,631,527</u>
TOTAL		<u>1,023,719,599</u>	<u>984,838,955</u>
NET INCOME FOR THE YEAR		32,354,515	30,082,322
EARNED SURPLUS AT BEGINNING OF YEAR		<u>173,478,988</u>	<u>159,340,407</u>
TOTAL		<u>205,833,503</u>	<u>189,422,729</u>
DIVIDENDS PAID			
The Borden Company (1962, \$1.70 a share; 1961, \$1.50 a share)		17,998,136	15,451,904
Columbus Coated Fabrics Corporation		—	491,837
(Before combination with The Borden Company)			
TOTAL		<u>17,998,136</u>	<u>15,943,741</u>
EARNED SURPLUS AT END OF YEAR		<u>\$ 187,835,367</u>	<u>\$ 173,478,988</u>
(Earnings retained for use in the business)			

See pages 7 and 8 for notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

BASIS OF CONSOLIDATION, ETC.: The financial statements include all significant domestic subsidiaries and all Canadian operating subsidiaries. Net current assets of such Canadian subsidiaries were translated at the prevailing rate of exchange at year end; other assets and liabilities at rates as of dates of origin; and net income items (other than depreciation) at the rate of exchange prevailing at the end of each month. On Page 9 appears financial information concerning foreign subsidiaries not consolidated and dividends received by the Company therefrom.

INVENTORIES: In valuing inventories and in determining the cost of goods sold, average costs (reduced to market, if lower) were used except as to certain products for which the last-in, first-out (Lifo) method was used. The inventory valuations of products on the Lifo basis at December 31, 1962 and 1961 were less than the current cost of those products by approximately \$5,400,000 and \$6,300,000, respectively.

LONG-TERM DEBT: The Borden Company shall pay into a sinking fund for its 27½ % Debentures due 1981 a sum sufficient to redeem on March 1, 1964 and on each March 1 thereafter, to and including March 1, 1980, \$1,250,000 principal amount of Debentures with the option to increase any payment by an amount not exceeding \$1,250,000. The sinking fund obligation due on March 1, 1963 was satisfied prior to December 31, 1962 by delivery to and cancellation by the trustee of Debentures of a principal amount of \$1,250,000. The Company also has purchased, and holds in its treasury, Debentures of a principal amount of \$2,500,000, which are not shown as outstanding.

The Borden Company shall pay into a sinking fund for its 4¾ % Debentures due 1991 a sum sufficient to redeem on December 1, 1967 and on each December 1 thereafter, to and including December 1, 1990, \$2,000,000 principal amount of Debentures with the option to increase any payment by an amount not exceeding \$2,000,000.

The 3½ % Note due 1973 requires the payment of annual installments of \$50,000 on November 15, 1963 (which installment is included in Accounts Payable) and

on each succeeding November 15, to and including November 15, 1972.

CAPITAL SURPLUS: Capital surplus decreased during 1962 by \$2,336,431 representing the excess, \$6,789,551, of cost over par value of 135,913 shares of capital stock acquired; less the excess, \$3,342,500, of fair value over par value of 65,000 shares reissued for businesses acquired and the excess, \$1,110,620, of the option price over the par value of 40,913 shares issued pursuant to options exercised.

STOCK OPTION PLANS: At the beginning of the year there were 362,324 shares of capital stock of The Borden Company reserved for unexercised options under the Employees Stock Option Plan approved by the stockholders in 1955. Authority to grant options under this plan expired in 1960. During 1962, 40,903 shares were purchased and options for 2,708 shares were cancelled. At December 31, 1962, 318,713 shares were reserved for unexercised options. Option prices (ranging from \$26.62 to \$42.35 per share) for shares purchased in 1962 and under option at year-end aggregated \$1,416,803 and \$11,448,733, respectively.

A Stock Option Plan approved by the stockholders in 1961 provides that not more than 100,000 shares of the Company's capital stock may be purchased pursuant to the exercise of options. As of January 1 options had been granted for 25,925 shares at \$66.45 per share under this plan. During the year, 10 shares were purchased and options for 525 shares were cancelled. At December 31, 1962, 25,390 shares were reserved for unexercised options and 74,600 shares were available for the granting of options in the future. Authority to grant options under this plan expires on April 18, 1966.

DEPRECIATION AND RENTALS: Depreciation and amortization of property and equipment charged to operations was \$17,846,350 for 1962 and \$17,448,830 for 1961. Rentals amounted to approximately \$13,300,000 for 1962 of which \$10,000,000 was related to long-term leases.

DEFERRED FEDERAL TAXES ON INCOME: The Company provides out of income amounts equal to the reduction

continued . . .

... notes continued

in Federal income tax resulting from the use, for income tax reporting only, of accelerated methods of depreciation. The amount so provided by these methods in 1962 and included in the Reserve for Deferred Federal Taxes on Income was \$3,920,527. This reserve was also increased by \$993,000, which is 52% of the investment credit provided in the Revenue Code of 1962. The remaining 48% of the credit, \$917,000, is recorded as a reduction of the current provision for U. S. Federal Income Taxes.

EMPLOYEES RETIREMENT INCOME PLAN: The unfunded lump-sum cost of retirement income for past service,

which is borne by the Company, was estimated to be approximately \$34,170,000 at the close of the last Plan Year, April 1, 1962. The charge to operations for the calendar year 1962 (including \$1,690,000, for the amortization of past-service cost) was \$4,160,000 which compares with \$4,481,000 for 1961.

CONTINGENCIES: The Company was guarantor of loans aggregating approximately \$23,200,000 at December 31, 1962. Included therein is \$13,125,000 which represents the Company's portion of a guarantee of loans to Monochem, Inc. which was organized in 1961 in a joint venture with United States Rubber Company.

HASKINS & SELLS
CERTIFIED PUBLIC ACCOUNTANTS
TWO BROADWAY, NEW YORK 4

FEBRUARY 25, 1963

**To the Stockholders and
Board of Directors of The Borden Company:**

We have examined the consolidated balance sheet of The Borden Company and Consolidated Subsidiaries as of December 31, 1962 and the related statement of consolidated income and earned surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying consolidated balance sheet and statement of consolidated income and earned surplus present fairly the financial position of the companies at December 31, 1962 and the results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Haskins & Sells

FOREIGN SUBSIDIARIES NOT CONSOLIDATED

December 31

Combined Balance Sheets

	1962	1961
Current Assets	\$31,976,957	\$30,659,495
Investments and Other Assets	4,954,328	3,217,161
Property and Equipment	20,909,746	20,253,601
(Less accumulated provision for depreciation)		
Deferred Charges	1,691,861	1,055,650
Intangibles	1,002,149	817,475
Total Assets	<u>60,535,041</u>	<u>56,003,382</u>
Current Liabilities	24,147,378	21,081,412
Long-Term Debt	504,197	1,350,990
Reserves	1,136,800	1,339,881
Total Liabilities and Reserves	<u>25,788,375</u>	<u>23,772,283</u>
Net Assets	34,746,666	32,231,099
Less—Minority Interest	4,341,547	3,935,918
Company's Equity in Net Assets	<u>\$30,405,119</u>	<u>\$28,295,181</u>

Year Ended December 31

Combined Statements of Income

	1962	1961
Net Sales	\$89,368,948	\$83,827,205
Other Income	1,057,921	998,483
Total	<u>90,426,869</u>	<u>84,825,688</u>
Less		
Cost of Goods Sold	67,397,573	63,872,977
Selling, General and Administrative Expenses and		
Other Charges—net	13,593,359	12,526,225
Interest Expense	961,264	893,702
Provision for Foreign Taxes	2,172,806	1,673,657
Total	<u>84,125,002</u>	<u>78,966,561</u>
Net Income	6,301,867	5,859,127
Less—Minority Interest	491,769	369,675
Company's Equity in Net Income*	<u>\$ 5,810,098</u>	<u>\$ 5,489,452</u>
Dividends to the Company	\$ 3,700,160	\$ 2,800,010
Less Federal Income Tax applicable thereto	933,935	134,859
Remainder included in Company's Net Income	<u>\$ 2,766,225</u>	<u>\$ 2,665,151</u>

*The Company's Equity in Net Income for 1962 has been reduced by \$325,383 of unrealized exchange loss resulting from the translation of net current assets at rates of exchange prevailing at the end of the year. No such reduction was applicable for 1961.

TEN YEAR SUMMARY AND REVIEW

	1962	1961	1960	1959	1958	1957
Operating						
Net Sales	\$1,047,902,188	\$1,009,665,456	\$990,971,772	\$941,326,495	\$915,024,172	\$931,220,662
Payrolls	\$ 193,460,165	\$ 191,863,360	\$190,833,006	\$178,847,166	\$178,811,677	\$178,034,224
Taxes (U.S. & Canadian Federal Income)	\$ 29,110,197	\$ 28,631,527	\$ 26,324,523	\$ 23,728,749	\$ 21,632,971	\$ 22,146,164
Depreciation and Amortization . . .	\$ 17,846,350	\$ 17,448,830	\$ 15,494,438	\$ 15,057,250	\$ 15,393,749	\$ 15,573,279
Net Income	\$ 32,354,515	\$ 30,082,322	\$ 28,720,168	\$ 25,548,693	\$ 24,612,475	\$ 23,996,321
Per Sales Dollar	3.09¢	2.98¢	2.90¢	2.71¢	2.69¢	2.57¢
Per Share*	\$3.05	\$2.84	\$2.75	\$2.61	\$2.53	\$2.47
Cash Dividends	\$ 17,998,136	\$ 15,451,904	\$ 14,857,560	\$ 13,696,547	\$ 13,614,448	\$ 13,123,410
Per Share*	\$1.70	\$1.50	\$1.50	\$1.40	\$1.40	\$1.35
Financial						
Working Capital	\$ 165,068,538	\$ 177,314,210	\$132,815,951	\$124,418,889	\$124,255,089	\$121,102,083
Current Ratio**	3.39:1	3.64:1	3.11:1	3.08:1	3.12:1	3.22:1
Inventories	\$ 93,373,974	\$ 85,639,641	\$ 80,959,583	\$ 69,516,134	\$ 67,011,708	\$ 65,043,169
Property and Equipment	\$ 367,284,447	\$ 348,388,656	\$329,634,515	\$305,407,468	\$292,358,752	\$282,469,382
Accumulated Depreciation	\$ 158,626,964	\$ 154,171,027	\$148,407,102	\$142,375,018	\$139,211,991	\$135,517,724
Net Property and Equipment	\$ 208,657,483	\$ 194,217,629	\$181,227,413	\$163,032,450	\$153,146,761	\$146,951,658
Long-Term Debt	\$ 94,800,000	\$ 96,100,000	\$ 47,150,000	\$ 48,200,000	\$ 50,250,000	\$ 52,825,000
Stockholders' Equity	\$ 305,920,495	\$ 294,125,547	\$276,096,349	\$245,570,465	\$231,904,674	\$221,095,165
Other						
Number of Stockholders	48,919	49,524	48,954	47,942	48,358	48,537
Number of Employees	30,994	32,128	33,154	32,165	33,718	35,058

*Adjusted for 10% stock dividend in 1954; 4% stock dividend in 1958; and 2 for 1 stock split in 1960.

**Ratio of Current Assets to Current Liabilities.

1956	1955	1954	1953
\$876,987,184	\$810,126,624	\$776,838,791	\$792,381,721
\$164,966,379	\$153,233,084	\$145,063,306	\$140,063,502
\$ 20,951,370	\$ 19,279,450	\$ 23,428,263	\$ 22,102,585
\$ 15,130,492	\$ 14,282,324	\$ 13,761,179	\$ 13,294,359
\$ 23,602,746	\$ 21,653,536	\$ 22,724,336	\$ 20,264,156
2.69¢	2.67¢	2.93¢	2.56¢
\$2.41	\$2.22	\$2.32	\$2.06
\$ 13,216,528	\$ 13,176,366	\$ 12,439,939	\$ 12,034,800
\$1.35	\$1.35	\$1.27	\$1.23
\$118,232,105	\$119,400,811	\$119,436,523	\$119,578,762
3.26:1	3.54:1	3.84:1	3.76:1
\$ 62,167,264	\$ 59,003,108	\$ 53,501,698	\$ 67,971,612
\$266,579,863	\$247,281,722	\$233,937,180	\$224,276,381
\$127,647,295	\$119,172,355	\$111,285,644	\$105,685,809
\$138,932,568	\$128,109,367	\$122,651,536	\$118,590,572
\$ 52,625,000	\$ 53,750,000	\$ 55,000,000	\$ 57,200,000
\$212,629,907	\$201,204,674	\$194,021,424	\$185,533,017
48,488	48,876	49,430	50,605
34,160	33,194	32,498	32,465

1953: Borden's . . . Forms The Borden Company Holland, N. V., at Amersfoort, The Netherlands, for whole milk powder ● Becomes a manufacturer of vinyl, butadiene styrene, acrylic and methacrylic products ● Completes the Central Research Laboratory for chemicals at Philadelphia, Pa. ● Introduces powdered *Mull-Soy*.

1954: Borden's . . . Pays a 10% stock dividend, Oct. 11 ● Introduces *Instant Starlac* nonfat dry milk ● Markets *Elmer's Contact Cement* ● Begins sale of milk in Arkansas and ice cream in Arizona.

1955: Borden's . . . Introduces *Lady Borden Ice Cream* in half-gallon packages ● Begins construction of fourth refrigerated biscuit plant, at New Brunswick, N. J. ● Expands operations in paint, paper, textile and plastics fields.

1956: Borden's . . . Elects Harold W. Comfort President Jan. 1 as Theodore G. Montague becomes Board Chairman ● Organizes Executive Research Committee, under President, to speed research activities ● Begins production of polyvinyl chloride resins.

1957: Borden's . . . Reaches its 100th anniversary, May 11 ● Opens Research and Development Centre for foods at Syracuse, N. Y. ● Completes new formaldehyde plants at Fayetteville, N. C., and Kent, Wash. ● Conducts contest to name Elsie's twins; judges select Larabee and Lobelia from 2,963,103 entries.

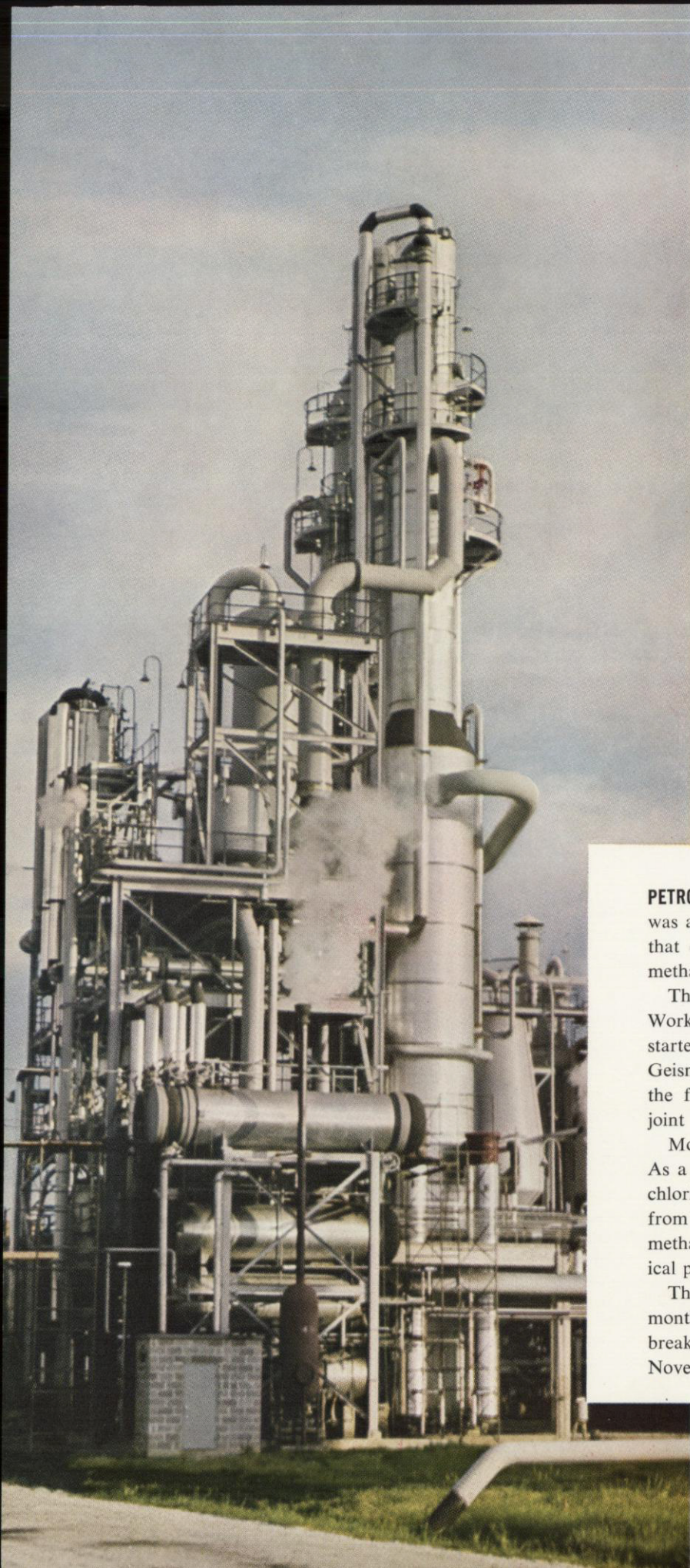
1958: Borden's . . . Pays a 4% stock dividend, Jan. 3 ● Breaks ground for Wisconsin's largest milk and ice cream plant, at Milwaukee ● Opens Consumer Testing Laboratory as part of expanded Borden Kitchen facilities ● Introduces *Instant Whipped Potatoes*, a new convenience product.

1959: Borden's . . . Enters perishable food field abroad with purchase of two ice cream firms in Mexico City ● Publishes separate financial data on unconsolidated foreign subsidiaries: net sales, \$70,626,961; equity in net income, \$3,775,960 ● Builds Brazil's first methanol plant, near São Paulo ● Enters seafood canning field; adds glacé fruits to product line.

1960: Borden's . . . Splits stock two-for-one, Jan. 5 ● Enters canned mushroom field ● Branches out into packaging ink business ● Announces Monochem, Inc., joint venture with United States Rubber Company ● Forms eleventh foreign chemical subsidiary, at Fécamp, France ● Places three of 15 projected food distribution centers in operation.

1961: Borden's . . . Net sales pass the billion-dollar mark for the first time ● Adds Wyler & Company and Greenwood Foods, Inc., specialty food manufacturers ● Introduces *Lifeline*, new low-fat, high-protein, fortified fresh milk ● Expands chemical operations through Columbus Coated Fabrics Corporation, producer of plastics and coated cloth ● Opens powdered milk plant at Mallow, Ireland ● Issues \$50,000,000 4½% 30-year Debentures in December.

1962: See *Highlights and Review*, Page 1.



Purification unit of the acetylene plant of Monochem, Inc., at Geismar, La. Acetylene processing is starting point for vinyl chloride, methanol, and vinyl acetate, which are being manufactured at the Geismar complex.

PETROCHEMICAL COMPLEX ON STREAM The fourth of July, 1962, was a noteworthy day for The Borden Chemical Company. On that date, it produced the first gallon of a basic chemical — methanol — at its \$15,000,000 Geismar (La.) Works.

This methanol plant is one of two major units at the Geismar Works. The other is a vinyl acetate monomer plant, which started production just after Labor Day. Borden Chemical's Geismar Works is tied to, but operates wholly separate from, the facilities of adjoining Monochem, Inc., the \$25,000,000 joint venture of Borden's and United States Rubber Company.

Monochem produces acetylene and vinyl chloride monomer. As a partner, Borden's utilizes half of the production of vinyl chloride monomer. Borden's Geismar Works also uses products from the acetylene plant to make vinyl acetate monomer and methanol. These basic chemicals are then sent to Borden chemical plants at many other locations for further processing.

The Geismar Works went into commercial operation two months ahead of target date, and only 18 months after ground breaking. The Board of Directors inspected the new facilities in November, at the time commercial production was inaugurated

Company's Directors assemble in front of Borden's vinyl acetate monomer plant during their inspection of new chemical complex at Geismar, La. From Left: Messrs. Gordon, Le Feber, Montague, Sheperd, Archer, Marusi, Hadley, Lewis, Comfort, Elliott, Wooster, Jones, Noetzel, and Simmonds.



(see photos, above and on following pages). What the Directors saw was the culmination of eight years' planning that began with the major decision in 1954 to "diversify and integrate" our chemical operations.

The four products produced at the Geismar complex — acetylene, methanol, vinyl acetate monomer, and vinyl chloride monomer — are the base on which our chemical operation is built. Methanol, which our Geismar Works can produce at the rate of 30,000,000 gallons a year, will be used in conversion to formaldehyde, a product we have been making since 1946. Some of the formaldehyde will be marketed. The bulk will be turned into thermosetting resins, principally *Casco* urea-formaldehyde resins and *Cascophen* phenol-formaldehyde resins, both of which are used for plywood adhesives and paper fortifiers and as binders in many industrial applications, including foundry sands, particle boards, abrasives, and impregnators for battery separators. Another use for the formaldehyde is in our production of hexamethylenetetramine, which we both sell and use.

From our Geismar Works will come 45,000,000 pounds yearly of vinyl acetate monomer. Through the magic of chemis-

try — and the know-how of Borden chemists — this output will appear in such disparate end uses and products as *Elmer's Glue-All*, washable latex paints, and paper coatings.

Our half share — 68,000,000 pounds annually at capacity — of Monochem's production of vinyl chloride monomer will funnel through plants at Leominster, Mass., and Illiopolis, Ill., for conversion into polyvinyl chloride. Thence, it will move out to other Borden chemical plants to be made into such familiar household products as *Wall-Tex* and *Satinesque* wallcoverings and *Resinite* garden hose, and into products for industry, including pharmaceutical tubing and *Resinite* packaging film. Other industrial customers will convert our polyvinyl chloride into, among other products, vinyl flooring, phonograph records, and automotive and furniture upholstery covers.

With the Geismar Works on stream, The Borden Chemical Company can watch its products from gas line to consumer. Industrial and consumer products with a present market value of some \$100,000,000 annually are now originating in the pipes and columns that rise from what, only months before, was a wilderness of pecan trees and scrub growth.



CONSTRUCTION ACTIVITY INCREASES Wear and tear, the inroads of time, and the needs of a growing business led to a busy program of plant construction and modernization during the year.

Most active Division was Borden's Milk and Ice Cream Company. In 1962 it completed five new plants, renovated and enlarged two plants, made improvements at 16 others, and began construction of three new ones. Placed in operation were a new milk processing and ice cream distribution plant at Dayton, O.; new ice cream distribution facilities at Cedar Rapids, Ia.; Stratford, Conn., and Watertown, N. Y.; and a new milk and ice cream distribution branch at Sebring, Fla. Renovated and enlarged were a milk and ice cream distribution facility at Springfield, O., and an ice cream manufacturing plant at Greenville, S. C. A major addition to the ice cream plant at Baltimore, Md., was completed.

Under construction at year end, and scheduled for completion in 1963, were a milk processing plant at Detroit, Mich.; an ice cream distribution branch at Anniston, Ala.; and ice cream and milk distribution facilities at Gaylord, Mich. In progress also were rehabilitation and enlargement of a milk processing plant at Indianapolis, Ind., and a milk processing and ice cream manufacturing plant at Kansas City, Mo.

Almost matching this building activity was The Borden Chemical Company, which completed eight domestic plants at seven locations. In addition to its Geismar Works, two formaldehyde facilities went into production: at Fremont, Calif., and Fayetteville, N. C. A polyvinyl chloride plant was completed at Illiopolis, Ill., as was a plant at North Andover, Mass., for making polyvinyl chloride packaging film. A new ink plant went into production at Fremont, and at Kent, Wash., facilities were



completed for the processing of urea-formaldehyde concentrates.

The growing diversity of the Borden Foods Company was reflected in its construction program, as well as by the nature of operations that came under its supervision in 1962. A new cottage cheese plant was completed at Franklinton, La., to serve the Southeastern area between Charlotte, N. C., and Miami, Fla. At the Division's evaporated milk plant at Lewisburg, Tenn., construction of additional can manufacturing facilities got underway, with completion scheduled for early 1963. Building began at Randolph, N. Y., to enlarge the plant that manufactures can-making and can-testing machinery.

Borden Foods Company's operations were strengthened and diversified with the acquisition of two well-known specialty-food firms: Comstock Foods, Inc., of Newark, N. Y., the nation's



Top left: View to Southwest of Geismar complex, with Monochem in background and Borden's Geismar Works in foreground. At bottom right is our vinyl acetate plant; at center, our methanol plant, with storage tanks along side. Top center: Company's Directors, with guides, board bus outside administration building for

tour of 220-acre Geismar Works. Top right: President Harold W. Comfort (center) and Directors Robcliff V. Jones and Howard C. Sheperd collect "hard hats" before tour. Bottom left: The methanol plant, showing distillation columns and compressor house. Above: Director Augustine R. Marusi describes the complex to the Board.

largest processor and packer of sliced apples; and ReaLemon-Puritan Co., of Chicago, Ill., a principal processor and distributor of natural, concentrated, and reconstituted fruit juices.

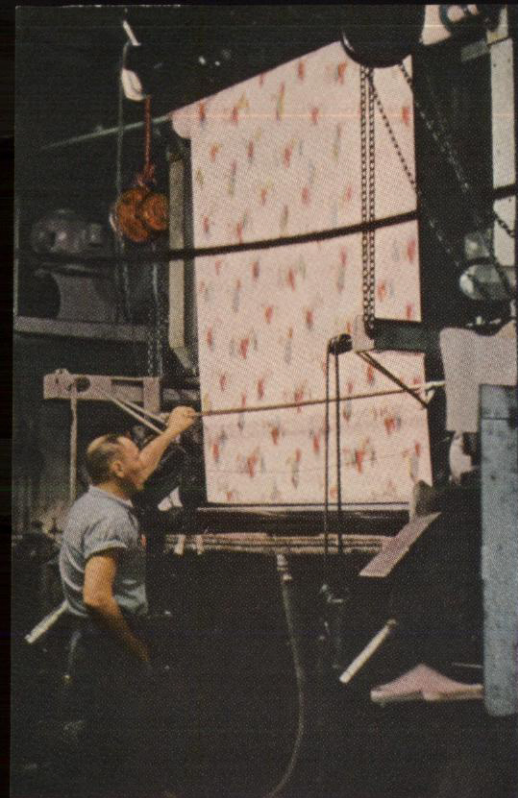
Wyler & Company began a major addition to its plant in Chicago that will be ready early in 1963. At West Chester, Pa., 20 air conditioned mushroom growing houses of Brandywine Mushroom Company were completed. These permit year-round production of mushrooms and, in turn, a better utilization of Brandywine's facilities.

CONSTRUCTION ABROAD CONTINUES After an accelerated pace of construction that saw the completion of seven overseas plants in 1961, building activity abroad in 1962 resumed a more normal level. Leicester, Lovell & Co. Ltd., our British chemical

subsidiary, put a new formaldehyde plant into operation at Southampton, England. A plant for the manufacture of amino molding compounds was completed outside Mexico City by Materiales Moldeables S. A. de C. V., a jointly-owned company.

Construction of new facilities, scheduled for start-up early in 1963, was undertaken by The Borden Chemical Company (Philippines), Inc. They include a plant with a capacity of 15,000,000 pounds of formaldehyde annually, and equipment to make powdered urea-formaldehyde, acrylic, and polyvinyl alcohol resins. These will be the first Philippine-made resins.

Borden's Puerto Rico Dairy, Inc. started building a modern fluid milk processing plant at San Juan. Centralizing our fluid milk operations, it began serving the entire Metropolitan San Juan Area upon its completion early in 1963.



Borden-made color is the common factor in this group of photos. Left: One of a bank of ten multi-color rotogravure printers for our table and wall covering designs. Center: Rollers smooth

pigments at the Baltimore, Md., ink plant of The Borden Chemical Company. Right: Tykor paints of Borden Special Products Company protect and color-code pipes in chemical plants.

RESEARCH BOLSTERS PRODUCT LINE Of 158 new or substantially improved products in the Borden line in 1962, 84 resulted directly from research and development efforts. These products reflected the stepped-up pace of our research and development program, its increasing diversity, and its greater emphasis on processing and packaging to improve quality and appearance. Market research and consumer testing — important steps leading to the introduction of new products — were given larger roles in the over-all program.

The Borden Chemical Company enlarged its industrial product line with two major basic raw materials: methanol and vinyl acetate monomer. At the other extreme, it introduced two new household items: *Elmer's Slide-All*, a non-combustible spray lubricant in an aerosol can; and *Elmer's Fast-Dry Contact Cement*. A non-clogging push-pull dispenser improved the convenience of *Elmer's Glue-All*, the nation's largest-selling white glue. Several new technical products were introduced, including a heat-sealable coating for aluminum foil and glassine papers, and a hot-melt adhesive specially formulated for ice cream and frozen food packaging.

Borden's Milk and Ice Cream Company considerably broadened its distribution of *Lifeline*. First test-marketed in the fall of 1961, the product is a low-fat, high-protein fresh milk fortified with ten essential vitamins and minerals. New during the year was *Alpine Spice Cottage Cheese*, flavored with caraway, chive, and onion. Aseptically canned egg nog, which requires no refrigeration, was introduced on a test basis. In the New York Metropolitan Area, the Division centered a broad new-product introduction of novelties (cups, frozen "sticks" etc.) and the addition of larger sizes to the full line of novelties, which is sold under the Elsie Brand. As in the past, new flavors of *Borden's Ice Cream* and *Lady Borden Ice Cream*, keyed to holidays and seasons, were introduced nationally at regular intervals throughout the year.

The Borden Foods Company added a fourth product to its growing line of convenience potato items: *Borden's Pizza Potatoes*, dehydrated sliced potatoes with an authentic Italian Pizza sauce. Initially introduced in a limited number of Midwestern markets, its distribution will be expanded throughout 1963. It joined *Borden's Au Gratin Potatoes* and *Borden's Scalloped*



Borden's Puerto Rico Dairy opened a new milk plant at San Juan early in 1963. Routeman Pablo Serrano begins his daily rounds.

Arctic masks, designed for the army, protect employees in our Baltimore, Md., ice cream plant against minus 30° temperatures.



Potatoes, both of which were extended to most major markets during the year, and *Borden's Instant Whipped Potatoes*. *Borden's Gem Flake Rolls*, newest in the line of refrigerated, ready-to-bake items, approached national distribution at year end.

There were several developments in our Foods Company's cheese line: a 1½ lb. variety pack of American and pimento process cheese slices was introduced; the Gourmet Line of cheese spreads was converted from plastic to metal containers and from a cream cheese to a Neufchatel base; and a new line of process cheese food slices underwent test marketing starting in January, 1963. *Borden's Instant Coffee* appeared in a stronger formulation, and in new ridged, clear-glass jars.

Wyler & Company introduced its seventh dehydrated drink mix, pineapple-grapefruit, and its fifth dehydrated soup mix, bean soup. Brandywine Mushroom Company came out with *Chef-cut Mushrooms in Butter Sauce* in both consumer and institutional packs. Early in 1963, Brandywine introduced, for institutional use, frozen breaded mushrooms for deep-fat frying. Greenwood Foods developed pickled beets with onions; and Comstock Foods, green beans with mushrooms. Drake Bakeries,

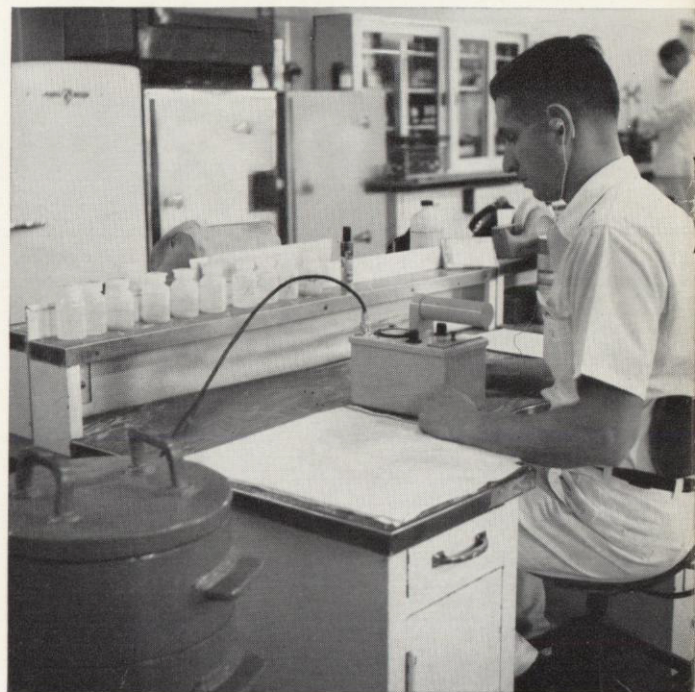
which bakes specialty cake products distributed in ten Eastern states, introduced *Swiss Rolls* and *Yodels* in devil's food and golden varieties. F. H. Snow Canning Company brought out *Sea-Food Chowder* and *Chopped Clams for Chowder*.

The diverse operations of the Borden Special Products Company showed in the new and improved products it marketed during 1962. Its line of *Marcelle* cosmetics for sensitive skin was expanded and improved with these new items: a *Conditioning Hair Rinse*, a *Lamee* skin lotion, a moisture creme, a liquid makeup base, an automatic mascara, a charcoal-shade eyebrow pencil, eight shades of powder, and five shades of nail lacquer.

During the year, this Division also marketed, for the first time under the Borden label, *Borden's Calf Milk Replacer*, formerly sold directly to feed manufacturers; developed a new formula for *Esbilac*, a fortified pet food, and packaged it in a new 12-oz. size; introduced, after a year of testing at its Nutrition Research Laboratories in Elgin, Ill., *Borden's 300-LP*, a new poultry feed supplement developed especially for low-protein mash; and reformulated *All-Temp Lube*, a lubricant for chain-belt conveyors in dairy and food plants.



Hauling milk from farms to city processing plants in our Western Division is this tractor-tanker, with a capacity of 5,600 gallons.



DEVELOPMENTS IN LITIGATION There were three significant developments in litigation.

The United States Supreme Court reversed a Federal District Court decision dismissing a civil suit charging the Company with discriminatory pricing in the sale of fluid milk in the Chicago, Ill., area, and sent the case back to the District Court with instructions to consider additional evidence concerning the cost justification of the price differences as well as current pricing practices.

The Federal Trade Commission, in a 2 to 1 decision, set aside the initial decision of a hearing examiner dismissing a complaint alleging price discrimination in the sale of Borden brand and private label evaporated milk, and issued a cease and desist order. The Company will appeal from this order to the courts.

A hearing examiner supported a Federal Trade Commission complaint charging the Company with price discrimination in the sale of fluid milk in certain Indiana and Michigan markets. This initial decision is being appealed to the Commission.

There were one new state anti-trust case and three new private civil anti-trust actions. These, as well as anti-trust actions

pending from prior years which were referred to in previous Reports, and the normal litigation arising from the Company's day-to-day operations, are being vigorously defended.

CANADIAN VOLUME RISES Unit sales of The Borden Company, Ltd., increased in 1962. Dollar sales remained about the same, however, due to depressed prices in some principal product lines, particularly nonfat dry milk. Profits declined, as a substantial rise in output per man hour failed to offset the combined effects of an increase in wage rates and static milk prices in the two principal Provinces, Ontario and Quebec. Retail milk prices are set by the Milk Control Board, and have not increased for five years in Quebec and three years in Ontario.

Our Canadian company, which has a long record of "firsts," added another during the year when it installed Canada's only aseptic canning operation. This facility permits the sterile processing of perishable products without altering their nutritive value or flavor. It is being used initially for *Ready Diet*, Borden's dietary product for weight control.

Other products widely marketed for the first time during the year included: *Smokey* and *Vera-Sharp* varieties in the line of



Michael Schmidt, 4, of Solenberg, Germany, is introduced to a favorite American treat at Methodist Hospital in Houston, Tex., while undergoing tests for a congenital heart defect.

This portable unit, one of several in strategically located Borden operations, tests milk for safe radioactivity levels. Units are used in cooperation with industry and government.

pasteurized process cheese spreads; a three-pint package for *Borden's Ice Cream*; two new ice cream novelties; a 2-lb. package of instant hot chocolate mix; and a 16-slice package of pasteurized process cheese.

A highly automated milk processing plant and facilities for ice cream distribution went into operation at Toronto, Ont. The building also houses the new home office of our Canadian company, its former headquarters having been taken over for an expanded University of Toronto campus. New drying equipment was installed at the egg processing operation at Winnipeg, Man., and at Ingersoll, Ont., laboratory facilities for testing egg products were enlarged. Terrace Dairy, Ltd., of Brantford, Ont. a fluid milk processor and distributor, was acquired in August.

The Food Products Division completed a changeover in its cheese distribution system in Quebec, replacing store-door delivery with direct shipment to chain store warehouses.

The Borden Chemical Company (Canada) Ltd. completed a urea-formaldehyde and phenol-formaldehyde resins plant in the North Bay, Ont., area. At West Hill, Ont., operations of its Argus Printing Ink Division will be consolidated, and their capacity doubled, with the opening of new facilities in 1963.

SAFETY PERFORMANCE IMPROVES The co-ordinated safety program conducted by local operations produced gratifying results in 1962, notably in the reduction of vehicle accidents. The Company's truck fleet, fifth largest in the nation, covers some 140,000,000 miles annually, making vehicle safety an important adjunct to our over-all operations. During the year, five Borden locations completed a million miles of accident-free driving. The plants are at Meridian, Miss.; Lake Charles, La.; and San Antonio, Corpus Christi, and Nacogdoches, Tex.

QUARTER CENTURY CLUB ROLL GROWS Induction of 508 new members brought the roll of Borden's Quarter Century Club to approximately 7,250 active and retired employees. Two members were honored for 50 years of active service, and 115 on completing 40 years with the Company.

The Company accepted on behalf of its employees a United States Treasury Medal awarded for their support of the Savings Bond Program. Nearly one-third of our U. S. employees purchase Bonds under the Payroll Savings Plan.

ELSIE IN NEW ROLE After five years' absence, Elsie the Cow returned to television in October, appearing in Borden commercials on eight different daytime shows over the NBC network. Her return signaled the launching of the President's Advertising Campaign for Expansion (PACE), in which Elsie takes on a new dual role: as our corporate symbol, and as spokeswoman for individual products, including new items, having special growth and profit potential. Helping to establish awareness of an animated, sprite-like Elsie in black-and-white TV commercials was her appearance in eight full-color, full-page advertisements in *Life* and *Look*, starting shortly before her TV debut.

Borden's Milk and Ice Cream Company conducted its national advertising primarily in magazines and on outdoor billboards. These media will also be used most in 1963, but advertising emphasis will be shifted to support of the Division's basic products, including homogenized milk, buttermilk, and cottage cheese, and the three most popular flavors of ice cream.

The Borden Foods Company expanded its advertising program in 1962. Cheese advertising was concentrated in national magazines and local newspapers during three major seasonal promotions. *Instant Dutch Chocolate Mix* was featured on the children's TV program, "Captain Kangaroo," over the CBS network. *Starlac* nonfat dry milk, *Eagle Brand* sweetened condensed milk, and *None Such* mince meat were advertised primarily in national consumer magazines; and instant coffee and instant potato products, primarily in local newspapers.

Elsie the Cow, for the third successive year, appeared live from May through October at Freedomland, an entertainment center in New York City, and will return there in 1963.

BOARD OF DIRECTORS

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HARRY L. ARCHER, *Vice President*
President, Borden's Milk and Ice Cream Company
HAROLD W. COMFORT, *President*
FRANCIS R. ELLIOTT, *Executive Vice President*
J. ROY GORDON
President, The International Nickel Company of Canada, Ltd.
MORRIS HADLEY
Member of law firm, Milbank, Tweed, Hadley & McCloy
ROBCLIFF V. JONES
Former Vice President
LESTER LE FEBER
Former President, Gridley Dairy Co.
MADISON H. LEWIS
Former Chairman, East District
AUGUSTINE R. MARUSI, *Vice President*
President, The Borden Chemical Company
EVERETT L. NOETZEL, *Vice President - Finance*
WILLIAM S. RENCHARD
President, Chemical Bank New York Trust Company
HOWARD C. SHEPERD
Former Chairman, First National City Bank
ALBERT C. SIMMONDS, JR.
Chairman, The Bank of New York
ROY D. WOOSTER, *Executive Vice President*

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FRANCIS R. ELLIOTT, *Executive Vice President*
ROY D. WOOSTER, *Executive Vice President*
HARRY L. ARCHER, *Vice President*
JAMES V. BASSETT, *Vice President*
CECIL I. CROUSE, *Vice President*
MILTON FAIRMAN, *Vice President*
RAYMOND J. KUNZ, *Vice President*
AUGUSTINE R. MARUSI, *Vice President*
THEODORE G. MONTAGUE, JR., *Vice President*
EVERETT L. NOETZEL, *Vice President*
DOUGLAS T. ORTON, *Secretary*
EDWIN S. PATIENCE, *Treasurer*
THOMAS W. BIGGS, *Assistant Vice President*
LOUIS CSENGE, *Assistant Vice President*
HARRY N. WEBSTER, *General Controller*
ROBERT G. BELL, *General Auditor & Assistant Treasurer*
HARRY F. BREMER, *Assistant Treasurer*
RICHARD J. MCGOLDRICK, *Assistant Treasurer*
KENNETH J. NEAGLE, *Assistant Secretary*

EXECUTIVE COMMITTEE: Mr. COMFORT, *Chairman*;
Messrs. ELLIOTT, JONES, LEWIS,
MONTAGUE and WOOSTER

COMMITTEE ON AUDIT: Mr. SIMMONDS, *Chairman*;
Messrs. GORDON, LEWIS, RENCHARD and SHEPERD

FINANCE COMMITTEE: Mr. MONTAGUE, *Chairman*;
Messrs. COMFORT, HADLEY, LEWIS, NOETZEL,
RENCARD, SHEPERD and SIMMONDS

PENSION COMMITTEE: Mr. JONES, *Chairman*;
Messrs. COMFORT, ELLIOTT, LEWIS, MONTAGUE
and WOOSTER

THE BORDEN COMPANY

BOARD OF OFFICERS: Mr. COMFORT, *Chairman*;
Messrs. ARCHER, BASSETT, BIGGS, CROUSE, CSENGE,
ELLIOTT, FAIRMAN, KUNZ, MARUSI, MONTAGUE, JR.,
NOETZEL, ORTON, PATIENCE, WOOSTER, and
JEAN J. CHAREST, *President, The Borden Company, Ltd.*,
and JACK B. PENTZ, *Executive Vice President*,
Borden's Milk and Ice Cream Company

CORPORATE DATA

EXECUTIVE OFFICES: 350 Madison Avenue, New York 17, N. Y.

REGISTERED OFFICE: 117 Main Street, Flemington, N. J.

COUNSEL: Milbank, Tweed, Hadley & McCloy, 1 Chase Manhattan Plaza, New York 5, N. Y.

AUDITORS: Haskins & Sells, 2 Broadway, New York 4, N. Y.

REGISTRAR: Bankers Trust Company, 16 Wall Street, New York 15, N. Y.

TRANSFER AND DIVIDEND DISBURSING AGENT: The Chase Manhattan Bank,
1 Chase Manhattan Plaza, New York 15, N. Y.

Borden BRAND

BORDEN'S MILK AND ICE CREAM COMPANY

BUTTERMILK • COTTAGE CHEESE: creamed, dry • CREAMS: heavy, medium, light • DIETARY FOOD, *Ready Diet* • EGG NOG • FRUIT JUICES: pure, flavored drinks • HALF & HALF • ICE CREAM: bulk and packaged, novelties, *Lady Borden* premium quality, Special Formula for diabetics • ICE CREAM MIX • ICE MILK: bulk and packaged, novelties • MELLORINE, *Charlotte Freeze* • MILK, LOW FAT: *Lifeline* protein-vitamin-mineral fortified, *High Protein*, 2% milk • MILK, SKIMMED: including *Gail Borden* vitamin-mineral fortified, Dutch chocolate flavored • MILK, WHOLE: including homogenized, *Gail Borden* vitamin-mineral fortified, Dutch chocolate flavored • SOUR CREAM • SOUR CREAM DIPS • WATER ICES: including novelties

BORDEN FOODS COMPANY

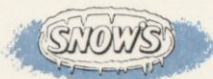
BISCUITS, REFRIGERATED: buttermilk, Southern Style • CHEESE FOOD, *Chateau* • CHEESE SPREADS: pasteurized process, cold pack • COFFEE, INSTANT • CONDENSED MILK, *Eagle Brand* sweetened • CREAM CHEESE • DESSERT CHEESES • DRINK MIXES: Dutch chocolate, *Hemo* vitamin-mineral • DRY WHOLE MILK, *Klim* • EVAPORATED MILK • GELATIN SALADS-DESSERTS • GRATED CHEESES: American, Parmesan and Romano • LIEDER-KRANZ BRAND CHEESE • MALTED MILKS: chocolate flavored, natural • MINCE MEAT, *None Such*: condensed, ready-to-use • NATURAL CHEESES • NEUFCHATEL • NONFAT DRY MILK, *Starlac* • POTATOES, INSTANT: au gratin, Pizza, scalloped, whipped • PROCESS CHEESES • SPECIALTY CHEESES • ROLLS, REFRIGERATED: Gem flake

THE BORDEN CHEMICAL COMPANY

ACETYLENE • CASEIN • COATED FABRICS, *Colovin* • COM-
POUNDED PRODUCTS: packaging and industrial adhesives, coatings,
building materials • CONSUMER PRODUCTS: *Elmer's* Glue-All,
Epoxy Glue, Slide-All, Water-proof Glue, Contact Cement, Plastic
Resin Glue, *Resinite* garden hose and sprinklers • FINE CHEMI-
CALS • FLEXIBLE EXTRUSIONS: electrical sleeving, industrial hose,
shoe welting, pharmaceutical tubing • FORMALDEHYDE • HEXA-
METHYLENETETRAMINE • METHANOL • METHYL ACETATE SOL-
VENTS • PACKAGING FILM, *Resinite* • PRINTING INKS •
THERMOPLASTIC EMULSIONS: polyvinyl acetate, butadiene styrene,
acrylate, polyvinyl chloride, polystyrene • THERMOPLASTIC SOLIDS:
polyvinyl chloride and copolymers, polyvinyl alcohol, polyvinyl ace-
tate, methacrylate, acrylate polymers • THERMOSETTING RESINS:
urea-formaldehyde, phenol-formaldehyde, resorcinol-formaldehyde
• VINYL ACETATE MONOMER • VINYL CHLORIDE MONOMER •
WALLCOVERINGS, *Satinesque* and *Wall-Tex*

BORDEN SPECIAL PRODUCTS COMPANY

ANIMAL FEED SUPPLEMENTS • BAKERS' INGREDIENTS, *Whitson's*
• BEVERAGE BASES • CALF MILK REPLACER • CLEANING
COMPOUNDS, *Tykor* • COSMETICS, *Marcelle* hypo-allergenic •
DERMATOLOGICALS: cremes, ointments, powders • FOOD, *Bremil*
infant: liquid and powder • FOOD, *Mull-Soy* hypo-allergenic:
liquid and powder • FOOD FORTIFIERS, vitamin-mineral •
FORTIFIED PET MILK, *Esbilac* • FOUNTAIN SPECIALTIES • IN-
GREDIENTS: confectionary, ice cream, food • LUBRICANTS, *Tykor*
dairy and food plant • MAINTENANCE COATINGS, *Tykor* •
MILK PROTEINS, *Whitson's* • MILK SUGAR, *Whitson's* • POULTRY
FEED SUPPLEMENTS • SANITIZERS, *Tykor* • SOY BEAN MEAL
AND OIL



CLAM CAKES • CLAM CHOWDER: Man-
hattan style; New England style, condensed
and ready-to-use • CLAM JUICE • CLAM
STEW, condensed cream of • CLAMS A
LA KING • CLAMS, minced • FISH
CHOWDER, concentrated New England style
• NEWBURG SAUCE • SARDINES, smoked
Norwegian style • WELSH RAREBIT

Wyler's.

BEVERAGE MIXES: *Kold Kup* fruit-flavored,
lemonade, orange drink • BOUILLON
CUBES: beef, chicken, onion, vegetable •
BOUILLON, INSTANT: beef, chicken •
CONDIMENTS, DEHYDRATED: celery flakes,
celery salt, garlic powder, garlic salt, mint
leaves, onion powder, onion salt, oregano
• GRAVIES, INSTANT: beef, chicken •
MEAT TENDERIZER • SOUPS, DEHYDRATED:
beef noodle, chicken noodle, chicken rice,
chicken stock, mushroom, onion, potato with
leek • VEGETABLES, DEHYDRATED: minced
onions, mixed vegetable flakes, onion flakes,
parsley flakes, soup greens, sweet pepper
flakes



CHERRIES, glacé • CITRON, glacé •
GINGER, crystallized • LEMON PEEL, can-
died • MIXED FRUITS AND PEELS, cut •
ORANGE PEEL, candied • PINEAPPLE:
candied, glacé



BOSTON CREME PIE • CINNAMON ROLLS
• COFFEE BUNS • COFFEE CAKES: small,
large • COFFEE RINGS: fruit, pecan •
COOKIES: coconut jumble, oatmeal • CREME
CUPS: chocolate, golden • CREME LAYERS
• DEVIL DOGS • FUDGEES • FUNNY
BONES: butterscotch, chocolate • JELLY
ROLLS • POUND CAKES: marble, plain,
raisin, silver — cuts and slices • RAISIN
SNACK • RING DINGS: chocolate, golden
• SPONGE CAKES: layers, shells • SWISS
ROLLS: chocolate, golden • YANKEE
DOODLES • YODELS: chocolate, golden

BRANDYWINE

CHEF-CUT MUSHROOMS • FANCY BUT-
TON MUSHROOMS • FANCY SLICED BUT-
TON MUSHROOMS • MUSHROOM STEMS
AND PIECES • MUSHROOMS A LA
BRANDYWINE

Comstock

APPLE RINGS, spiced • APPLESauce •
APPLES, pie-sliced • BEETS: crinkle style,
cut, medium whole, shoestring • CARROTS,
diced • CORN: cream style, whole kernel
• GREEN BEANS • PEAS • PIE FILLINGS:
apple, apricot, blueberry, cherry, lemon,
peach, pineapple, pumpkin, strawberry •
WAX BEANS

Greenwood's

APPLE RINGS • BEETS: Harvard, small
whole, tiny whole, sliced pickled • CRAB
APPLES, spiced • RED CABBAGE, sweet-
sour • RHUBARB • SECKEL PEARS

REALEMON

CHERRIES: maraschino, plain • FIG JUICE •
FIG AND PRUNE JUICE • FRUIT NECTARS:
applecot, apricot, orange apricot • LEM-
ONADE • LEMON JUICE: *Realemon* re-
constituted • LIME JUICE: *Realime* re-
constituted • PRUNE JUICE • PUNCHES,
FROZEN CONCENTRATED • PUNCHES,
READY-TO-DRINK • SCREWDRIVER MIX

